

PERKINS LOAN DISCHARGE AND CANCELLATION SUMMARY CHART

Cancellation Conditions ^a	Amount Forgiven
Bankruptcy (in rare cases—cancellation is possible only if the bankruptcy court rules that repayment would cause undue hardship)	100 percent
Closed school (before student could complete program of study)—applies to loans received on or after Jan. 1, 1986	100 percent
Borrower's total and permanent disability or death ^b	100 percent
Full-time teacher in a designated elementary or secondary school serving students from low-income families ^c	Up to 100 percent
Full-time special education teacher (includes teaching children with disabilities in a public or other nonprofit elementary or secondary school) ^c	Up to 100 percent
Full-time qualified professional provider of early intervention services for the disabled	Up to 100 percent
Full-time teacher of math, science, foreign languages, bilingual education, or other fields designated as teacher shortage areas	Up to 100 percent
Full-time employee of a public or nonprofit child- or family-services agency providing services to high-risk children and their families from low-income communities	Up to 100 percent
Full-time nurse or medical technician	Up to 100 percent
Full-time law enforcement or corrections officer	Up to 100 percent
Full-time staff member in the education component of a Head Start Program	Up to 100 percent
Vista or Peace Corps volunteer	Up to 70 percent
Service in the U.S. Armed Forces	Up to 50 percent in areas of hostilities or imminent danger

^a As of Oct. 7, 1998, all Perkins Loan borrowers are eligible for all cancellation benefits regardless of when the loan was made or the terms of the borrower's promissory note. * However, this benefit is not retroactive to services performed before Oct. 7, 1998.

^b Total and permanent disability is defined as the inability to work and earn money because of an illness or injury that is expected to continue indefinitely or to result in death. If you are determined to be totally and permanently disabled based on a physician's certification, your loan will be conditionally discharged for up to three years. This conditional discharge period begins on the date you became totally and permanently disabled, as certified by your physician. During this conditional discharge period, you do not have to make payments on your loan(s). To qualify for a final discharge due to total and permanent disability, you must meet the following requirements during the conditional discharge period: (1) your earnings from employment must not exceed

the poverty line amount for a family of two; and (2) you must not receive any additional loans under the FFEL, Direct Loan or Perkins Loan programs. If you do not continue to meet these requirements at any time during or at the end of the conditional discharge period, your loan(s) will be taken out of conditional discharge status and you must resume making payments on your loans. You cannot qualify for loan discharge based on a condition that existed before the loan was made, unless a doctor certifies that your condition substantially deteriorated after you obtained the loan. For more information on qualifying for this discharge, review your promissory note* and Borrower's Rights and Responsibilities Statement or contact your loan holder.

^c Detailed information on teaching service cancellation/deferment options can be found at www.FederalStudentAid.ed.gov. At the site, click on the "Students, Parents and Counselors" tab.

Data Source : Funding Education Beyond High School, The Guide to Federal Student Aid 2007-08. U.S. Department of Education.